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Voluntary Public

Date: 7/8/2015

GAIN Report Number: RS1544

Russian Federation

Post: Moscow

Russian Agricultural Policy and Situation Bi-Weekly Update 10

Report Categories:

Agriculture in the News

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Report Highlights:

Russian Food Ban Extended Until August 2016 . . . Russian Government Issued Orders on Distribution of Federal Agricultural Subsidies to Provinces . . . Geographical Indication Stamps Introduced for Wine and Brandy . . . Ministry of Agriculture Will Not Set Price Corridor for Commodity Milk . . . Russian Far East Fish and Seafood Exports Decreasing . . . Russian Grain Exports in 2014/15 . . . Primorye Dairy Sector Anticipates Better Times . . . Japan Concerned Over Possible Russian Drift-Net Fishing Ban . . . Imports of Pork from China Now Arriving by Truck . . . China to Create Livestock AgroPark Oriented to the Russian Market

General Information:**General Information:**

Welcome to the Russian Agricultural Policy and Situation Bi-Weekly Update, a summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Russia, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

Russian Food Ban Extended Until August 2016: On June 24, 2015, President Putin signed [Decree No. 320](#) extending Russia's ban on imports of agricultural products from the United States, Canada, the European Union, Australia, and Norway for a year, as of August 6, 2015, and instructed the Government to ensure its implementation. The Government then issued [Government Resolution No.625](#) of June 25, 2015, amending the list of covered agricultural products to exclude an additional type of fry trout, as well as young oysters and mussels (spat) from the ban, while tightening the ban on dairy products by specifying that only specialized lactose-free products for therapeutic and preventive dietary nutrition are excluded. FAS/Moscow reported on the extension of the food import ban in [GAIN Report](#).

Russian Government Issued Orders on Distribution of Federal Agricultural Subsidies to Provinces: On June 16, 2015, the GoR issued four Orders on the distribution of agricultural subsidies among provinces. The subsidies include additional funds that were approved by Federal Law No. 93 of April 20, 2015, on the amendments to the federal budget 2015. The funds distributed by these orders totaled nearly 23 billion rubles (approximately \$418 million), including 5.6 billion rubles (approximately \$102 million) of additional funds:

- GOR Order No.1110-p of June 16, 2015, on distribution of 11.58 billion rubles for subsidies for partial compensation of interest rate (investment loans) in crop production, processing, development of infrastructure and marketing. The subsidies include 2.15 billion rubles of additional funds (<http://government.ru/docs/18527/>);
- GOR Order No. 1109-p of June 16, 2015 on distribution of 5.1 billion rubles for subsidies for partial compensation of interest rates (investment loans) for construction and modernization of feedlots. These subsidies include 0.5 billion rubles of additional funds (<http://government.ru/docs/18526/>);
- GOR Order No.1108 of June 16, 2015 on distribution of 3.2 billion rubles as grants to beginning farmers and for development of peasant farms. These grants include 1.3 billion rubles of additional funds (<http://government.ru/docs/18525/>);
- GOR Order No. 1107-p on distribution of 3.1 billion rubles as grants for development of family livestock farms. The grants include 1.65 billion rubles of additional funds (<http://government.ru/docs/18524/>).

Geographical Indication Stamps Introduced for Wine and Brandy: According to Resolution № 593, on June 16, 2015 the Russian Government introduced special federal stamps for Russian wines and

brandies with geographical indications. Notions of ‘brandy’, ‘brandy (special)’, ‘grape wines (special)’, ‘sparkling wines (special)’, ‘spirits (special)’, and ‘liqueur wines (special)’ are included in the order. The notion of ‘special’ means products made in accordance with the requirements of protected geographical indication. The document was developed by the Russian Federal Service for Alcohol Market Regulation as a subordinate act to the federal Law № 490 on December 31, 2014, to create favorable conditions for wine production from Russian grapes. The law particularly introduces procedures of classifying Russian wines with geographical indication. The first Russian products with the protected geographical indication, or the designation of origin, may appear on the market in 2016.
<http://government.ru/docs/18560/>

Ministry of Agriculture Will Not Set Price Corridor for Commodity Milk: The Federal Antimonopoly Service (FAS) and the Ministry of Agriculture (MinAg) of the Russian Federation have rejected the idea of setting a price corridor for commodity milk in 2015. Discussions on the issue started in May 2015, when the per liter price for milk fell below the 2014 level. Vladimir Labinov had previously commented that if the purchase price for raw milk fell below the 2014 level, it could lead to economic imbalance in the dairy sector and force dairy farmers to reduce milk production and decrease cattle herds. The Federal Antimonopoly Service, however believed that creation of a price corridor would limit competition in the dairy market. Anna Mironchenko, head of FAS Directorate for Control in Agricultural Market, suggested that intervention purchases could be another alternative. A price corridor for commodity milk was used in Russia in 2010-2012. MinAg introduced the measure to improve price predictability and reduce seasonality and volatility in the supply of raw milk in Russian market. <http://tass.ru/ekonomika/20646>

Russian Far East Fish and Seafood Exports Decreasing: The Russian Customs Service in the Far East reports that fishermen harvested 860,000 MT of fish and seafood between January and May 2015, which is eight percent higher than in the same period in 2014. During the same 2015 period, Far Eastern fishermen exported 576,900 MT of fish, or \$976,200 in value. This is an eight percent drop from the same period in 2014. The Customs Service also noted that 91% of exports are comprised of product with either little to no processing, or frozen product. The major importers of Russian fish continue to be: China with 69 percent, Republic of Korea with 29 percent and Japan with 1 percent.
<http://www.agronews.ru/news/detail/141200/>

Russian Grain Exports in 2014/15: According to estimates of grain analysts, during the 2014/15 Marketing Year (MY) (July 1, 2014 through June 30, 2015) Russia exported 31.7 million metric tons (MMT) of grains, flour in grain equivalent and pulses. This includes 22.1 MMT of wheat, 5.2 MMT of barley and 3 MMT of corn ([Rusagrotrans estimate](#)). These are the highest grains and pulses exports in Russian history. Official Customs data on grain exports are not yet available.

Primorye Dairy Sector Anticipates Better Times: Dairy farming in the Primorskiy region, supported by Federal programs in recent years, has shown a steady growth in productivity over recent years, even as dairy cattle herd numbers have fallen. The average productivity of dairy cattle in the region is 16.8 kg per cow per day. In the last five years average productivity has doubled. The number of cattle in the region in recent years dropped to a record low despite the importation of breeding animals in some farms. Regional milk production satisfies only half of regional demand.
http://zrpress.ru/markets/primorje_26.06.2015_73014_molochnaja-otrasl-primorja-zastylya-v-ozhidanii-luchshikh-vremen.html

Japan Concerned Over Possible Russian Drift-Net Fishing Ban: According to Japanese officials from Nemuro, Hokkaido, which is the center of drift-net fishing, the lost revenue should Russia introduce a ban on drift-net fishing in its exclusive economic zone, would be 25 billion yen (about 203 million USD). The law to ban drift-net fishing was adopted by the State Duma on June 10, 2015. If it is adopted by the Federation Council and signed by the President of Russia, all drift-net fishing will be banned as of January 1, 2016. There are currently 35 Japanese and 16 Russian vessels engaged in this kind of fishing in the Russian Far East.

<http://deita.ru/news/economy/24.06.2015/4916399-yaponiya-ozabochena-vozmozhnym-zapretom-drifternogo-lova-v-rossii/>

Imports of Pork from China Now Arriving by Truck: On June 9th, an export consignment of pork to Russia, weighing 40 metric tons and worth more than \$1 million, was delivered by truck to Khabarovsk via the road border crossing Pokrovka – Raohe. This new land route takes only 24 hours in transit time, compared to 40 days by sea. Russia approved Chinese pork imports in 2014. This reduction in transportation costs is expected to significantly lower the price of meat products destined to Russian regional meat processing companies.

http://zrpress.ru/markets/v-mire_25.06.2015_73044_kitaj-nachal-postavki-svininy-v-rf-sukhoputnym-putem.html

China to Create Livestock AgroPark Oriented to the Russian Market: The Zhongding Dairy Farming Company, in cooperation with the Northern Drill Russian Company, started building a Sino-Russian agro livestock complex. The new facility, estimated at 1 billion yuan, is located in the city of Mudanjiang, China. This new Chinese industrial zone will include 100,000 hectares of grazing land in China and Russia, as well as room for 100,000 dairy cows.

<http://www.eastrussia.ru/news/kitay-sozdast-zhivotnovodcheskiy-agropark-orientirovanny-na-rossiyskiy-rynok-/>